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Subject: Guyana will be 3rd largest non-OPEC supplier of oil between 2021-2027

Dear Colleagues,

I thought you would find the following article of interest...

Best Regards,

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Guyana will be 3rd largest non-OPEC supplier of oil between 2021-2027 – Outlook report

November 6, 2022

The Organization of the Petroleum Exporting Countries (OPEC) has released its 2022 world outlook report, showing that Guyana will be the third highest non-OPEC contributor to the growth of oil supplies on the world market, between 2021 and 2027.

According to the outlook report, non-OPEC oil supplies will expand from 63.6 million barrels per day (bpd) in 2021, to 71.4 million bpd in 2027. It will then peak at 72.4 million bpd around 2030 and decline to 67.5 million bpd by 2045.

“The main medium-term driver of non-OPEC liquids supply growth is the US, followed by Brazil, Guyana, Canada and Norway. In the long-term, after US supply is set to peak in the latter 2020s, the two Latin American producers are joined by Canada, Kazakhstan and Qatar as the primary sources of non-OPEC liquids supply increments,” OPEC said in its report.

“Resource constraints see US tight oil peak at just over 16 mb/d around 2030. Thereafter, supply growth continues in Guyana, Canada, Kazakhstan, Brazil and Qatar, but is insufficient to offset non-OPEC declines elsewhere.”

OPEC is made up of 13 countries, but Saudi Arabia is considered the most prominent country. Other OPEC+ countries include Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan and Sudan. Guyana is not a member of either group.

The oil-rich Stabroek Block, which is producing the light-sweet crude offshore Guyana, is 6.6 million acres (26,800 square kilometres).

US oil giant ExxonMobil, through its local subsidiary Esso Exploration and Production Guyana Limited (EEPGL), is the operator and holds 45 per cent interest in the Block. Hess Guyana Exploration Ltd holds 30 per cent interest, and CNOOC Petroleum Guyana Limited, a wholly-owned subsidiary of CNOOC Limited, holds the remaining 25 per cent interest.

So far, Exxon’s total investments in Guyana total GY\$1.3 trillion on its own and over GY\$3 trillion with its partners. Additionally, the joint venture exploration and production plans up to 2025 will likely increase their investments to more than GY\$6 trillion.

ExxonMobil has said it anticipates at least six projects offshore Guyana will be online by 2027, with production having already started in the second phase, with the Liza Unity FPSO vessel in operation.

The third project – the Payara Development – will target an estimated resource base of about 600 million oil-equivalent barrels, and was at one point considered to be the largest single planned investment in the history of Guyana.

Meanwhile, the Yellowtail development, which will be oil giant ExxonMobil’s fourth development in Guyana’s waters, will turn out to be the single largest development so far in terms of barrels per day of oil, with a mammoth 250,000 bpd targeted.

It has been reported that total production offshore Guyana is expected to reach 93.6 million barrels by year-end.

The Guyana Government is expected to earn a whopping US\$1.1 billion from its total share of profit oil for 2022, with some US\$307 million in profit oil revenue for the first half of the year. In addition to that, the country also received US\$37.1 million in royalties in the first half of 2022.

Only last month, the Bank of Guyana (BoG) revealed in its 2022 third-quarter report that the July to September period turned out to be the most lucrative quarter yet for Guyana’s oil earnings, with inflows of over \$100 billion going into the Natural Resource Fund (NRF).

According to the BoG report, Guyana earned a total of \$102.8 billion (US\$493.1 million). This includes profit oil of \$92.1 billion (US\$442.1 million) and royalties of \$10.6 billion (US\$51 million).

The increase was attributed to the additional Floating Production Storage and Offloading (FPSO) vessel, the Liza Unity, being in operation in the Liza Phase Two of the Stabroek Block.

“These funds were deposited into the Natural Resource Fund Account held at the Federal Reserve Bank of New York. As a result of an additional FPSO being in operation, more lifts were made and hence, more profit oil received compared to previous quarters,” the Central Bank said.

It was explained that since oil production began in December 2019, there have been 16 lifts of profit oil which have brought in \$269.3 billion (US\$1.2 billion) in profit oil revenue and \$31.9 billion (US\$153.1 million) in royalty payments.

According to the report, the fund earned \$995.7 million (US\$4.7 million) in interest income over the third quarter, compared to the \$266 million (US\$1.2 million) it had earned in the previous quarter.

On the other hand, the Local Content Secretariat (LCS) last week reported that Guyanese suppliers have earned over GY\$129 billion from the oil sector.

Although not yet completed, Director of the Secretariat Martin Pertab noted that preliminary assessments show that local content earnings from this year alone are well above GY\$129 billion – representing 23 per cent of Guyana’s GY\$552.9 billion budget for 2022.

<https://guyanatimesgy.com/guyana-will-be-3rd-largest-non-opec-supplier-of-oil-between-2021-2027-outlook-report/>

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